

3/30/2011

## DISTRICT OF NEVADA

In re: Ad Systems Communications Inc.

Case No. 10-32725-bam

**CHAPTER 11**  
**MONTHLY OPERATING REPORT**  
**(SMALL REAL ESTATE/INDIVIDUAL CASE)**

**SUMMARY OF FINANCIAL STATUS**MONTH ENDED: 12/31/10PETITION DATE: 12/06/10

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. <b>Asset and Liability Structure</b>			
a. Current Assets	\$337,951		
b. Total Assets	\$656,747		
c. Current Liabilities	\$0		
d. Total Liabilities	\$8,905		
3. <b>Statement of Cash Receipts &amp; Disbursements for Month</b>	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$91,601		\$91,601
b. Total Disbursements	\$68,566		\$68,566
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$23,035		\$23,035
d. Cash Balance Beginning of Month	\$116		\$116
e. Cash Balance End of Month (c + d)	\$23,151		\$23,151
4. <b>Profit/(Loss) from the Statement of Operations</b>	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
	N/A	N/A	N/A
5. <b>Account Receivables (Pre and Post Petition)</b>	\$289,799		
6. <b>Post-Petition Liabilities</b>			
7. <b>Past Due Post-Petition Account Payables (over 30 days)</b>	\$0	\$0	

**At the end of this reporting month:**

	<u>Yes</u>	<u>No</u>
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		x
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		x
10. If the answer is yes to 8 or 9, were all such payments approved by the court?		
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)		x
12. Is the estate insured for replacement cost of assets and for general liability?	x	
13. Are a plan and disclosure statement on file?		x
14. Was there any post-petition borrowing during this reporting period?		x
15. Check if paid: Post-petition taxes <u>    </u> ; U.S. Trustee Quarterly Fees <u>x</u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>    </u> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 3/30/2011 0:00

Ryan Nadick  
 Responsible Individual

**BALANCE SHEET**  
(Small Real Estate/Individual Case)  
For the Month Ended 12/31/10

Assets		Check if Exemption Claimed on Schedule C	Market Value
<b>Current Assets</b>			
1	Cash and cash equivalents (including bank accts., CDs, etc.)		\$ 23,151
2	Accounts receivable (net)		289,799
3	Retainer(s) paid to professionals		\$25,000
4	Other: _____		
5	_____		
6	<b>Total Current Assets</b>		\$ 337,951
<b>Long Term Assets (Market Value)</b>			
7	Real Property (residential)		\$ -
8	Real property (rental or commercial)		\$0
9	Furniture, Fixtures		\$68,797
10	Vehicles		\$0
11	Partnership interests		
12	Interest in corporations		\$0
13	Stocks and bonds		
14	Interests in IRA, Keogh, other retirement plans		\$0
15	Other: <u>patent</u>		\$250,000
16	_____		
17	<b>Total Long Term Assets</b>		\$ 318,797
18	<b>Total Assets</b>		\$ 656,747
<b>Liabilities</b>			
<b>Post-Petition Liabilities</b>			
<b>Current Liabilities</b>			
19	Post-petition not delinquent (under 30 days)		\$ -
20	Post-petition delinquent other than taxes (over 30 days)		
21	Post-petition delinquent taxes		
22	Accrued professional fees		
23	Other: _____		
24	_____		
25	<b>Total Current Liabilities</b>		\$ -
26	<b>Long-Term Post Petition Debt</b>		
27	<b>Total Post-Petition Liabilities</b>		\$ -
<b>Pre-Petition Liabilities (allowed amount)</b>			
28	Secured claims (residence)		\$0
29	Secured claims (other)		\$0
30	Priority unsecured claims		\$8,905
31	General unsecured claims		
32	<b>Total Pre-Petition Liabilities</b>		\$ 8,905
33	<b>Total Liabilities</b>		\$ 8,905
<b>Equity (Deficit)</b>			
(	<b>Total Equity (Deficit)</b>		\$ 647,842
##	<b>Total Liabilities and Equity (Deficit)</b>		\$ 656,747

## NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

**SCHEDULES TO THE BALANCE SHEET****Schedule A  
Rental Income Information****List the Rental Information Requested Below By Properties (For Rental Properties Only)**

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property			
2 Scheduled Gross Rents			
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions			
7 Scheduled Net Rents			
8 Less: Rents Receivable (2)			
9 Scheduled Net Rents Collected (2)			

(2) To be completed by cash basis reporters only.

**Schedule B  
Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	<u>WELLS FARGO</u>	<u>WELLS FARGO</u>	<u>WELLS FARGO</u>
11 Account No.	<u>7156</u>	<u>702</u>	<u>8816</u>
12 Account Purpose	<u>OPERATING ACCT.</u>	<u>UNUSED</u>	<u>SAVINGS</u>
13 Balance, End of Month	<u>\$23,147</u>	<u>\$4</u>	<u>\$0</u>
14 Total Funds on Hand for all Accounts	<u><u>\$23,151</u></u>		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS****Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 12/31/10**

		<u>Actual Current Month</u>	<u>Cumulative (Case to Date)</u>
<b>Cash Receipts</b>			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$91,601	\$91,601
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	<b>Total Cash Receipts</b>	\$91,601	\$91,601
<b>Cash Disbursements</b>			
13	Selling		
14	Administrative	\$45,298	\$45,298
15	Capital Expenditures		
16	Principal Payments on Debt		
17	Interest Paid		
	Rent/Lease:		
18	Personal Property		
19	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
20	Salaries		
21	Draws		
22	Commissions/Royalties		
23	Expense Reimbursements		
24	Other		
25	Salaries/Commissions (less employee withholding)	\$23,168	\$23,168
26	Management Fees		
	Taxes:		
27	Employee Withholding		
28	Employer Payroll Taxes		
29	Real Property Taxes		
30	Other Taxes		
31	Other Cash Outflows:		
32			
33			
34	Miscellaneous Expenses	\$ 100	\$100
35			
36			
37	<b>Total Cash Disbursements:</b>	\$68,566	\$68,566
38	<b>Net Increase (Decrease) in Cash</b>	\$23,035	\$23,035
39	<b>Cash Balance, Beginning of Period</b>	\$116	\$116
40	<b>Cash Balance, End of Period</b>	\$23,151	\$23,151

**Choice IV Commercial Checking**

Account number: 0702 ■ December 1, 2010 - December 31, 2010 ■ Page 1 of 1



AD SYSTEMS COMMUNICATIONS INC  
1393 BENNETT CIR  
FARMINGTON UT 84025-3902

**Questions?**

Available by phone 24 hours a day, 7 days a week:

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Online: [wellsfargo.com](http://wellsfargo.com)

Write: Wells Fargo Bank, N.A. (119)  
P.O. Box 6995  
Portland, OR 97228-6995

**Account summary****Choice IV Commercial Checking**

Account number	Beginning balance	Total credits	Total debits	Ending balance
0702	\$16.29	\$140.00	-\$151.95	\$4.34

**Credits****Electronic deposits/bank credits**

Effective date	Posted date	Amount	Transaction detail
	12/15	140.00	Online Transfer Ref #1bemp2Fxd From Business Checking xxxxxx7156 on 12/15/10
		\$140.00	Total electronic deposits/bank credits
		\$140.00	Total credits

**Debits****Electronic debits/bank debits**

Effective date	Posted date	Amount	Transaction detail
	12/13	151.95	Client Analysis Svc Chrg 101210 Svc Chge
		\$151.95	Total electronic debits/bank debits
		\$151.95	Total debits

**Daily ledger balance summary**

Date	Balance	Date	Balance	Date	Balance
11/30	16.29	12/13	-135.66	12/15	4.34
Average daily ledger balance		-\$0.06			

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(119)  
Sheet Seq = 0006159  
Sheet 00001 of 00001

**Advantage Business Package Checking**

Account number: 7156 ■ December 7, 2010 - December 31, 2010 ■ Page 1 of 4



AD SYSTEMS COMMUNICATIONS INC  
DEBTOR IN POSSESSION  
CH 11 CASE 10-32725 UT  
1393 BENNETT CIR  
FARMINGTON UT 84025-3902

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Online Statements ☐  
Business Bill Pay ☐  
Business Spending Report ☒  
Overdraft Protection ☐

**Activity summary**

Beginning balance on 12/7	\$0.00
Deposits/Credits	91,804.01
Withdrawals/Debits	- 68,456.93
<b>Ending balance on 12/31</b>	<b>\$23,147.08</b>
Average ledger balance this period	\$50,387.49

**Overdraft Protection**

This account is not currently covered by Overdraft Protection. If you would like more information regarding Overdraft Protection and eligibility requirements please call the number listed at the top of your statement or visit your Wells Fargo branch.

Account number: 7156

AD SYSTEMS COMMUNICATIONS INC  
DEBTOR IN POSSESSION  
CH 11 CASE 10-32725 UT

Utah account terms and conditions apply

For Direct Deposit and Automatic Payments use

Routing Number (RTN): 124002977

For Wire Transfers use

Routing Number (RTN): 121000246

Account number: 7156 ■ December 7, 2010 - December 31, 2010 ■ Page 2 of 4



## Transaction history

Date	Check Number	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
12/8		Deposit Made In A Branch/Store	3,343.66		3,343.66
12/10		Deposit Made In A Branch/Store	75,103.28		
12/10		Deposit Made In A Branch/Store	771.40		79,218.55
12/13		Deposit Made In A Branch/Store	3.00		
12/13		Withdrawal Made In A Branch/Store		3.00	79,218.55
12/15		Wire Trans Svc Charge - Sequence: 101215095112 Srf# 0005750349729635 Trn#101215095112 Rfb#		20.00	
12/15		WT Fed=07862 U.S. Bank,N.A. JFinBnf=Anthony Lenz Srf# 0005750349729635 Trn#101215095112 Rfb#		2,000.00	
12/15		Online Transfer Ret #10amp2Fyln to Business Checking xxxxx0702 on 12/15/10		140.00	
12/15		Online Transfer Ret #10amp2Fyln to Custom Management(Rnt) Bank Fees Open/Close Bna Account		28.00	
12/15		Paychex Payroll 38128900001494x Ad Systems Communicat		9,250.27	
12/15		Paychex Tps Taxes 121430 38133100003454x Ad Systems Communicat		7,510.31	80,268.97
12/16		Paychex Eib Invoice 101216 x38140000012383 Ad Systems Communicat		156.55	80,113.42
12/17		Deposit Made In A Branch/Store	1,692.00		81,805.42
12/20		Deposit Made In A Branch/Store	3,172.23		
12/20		Deposit Made In A Branch/Store	2,377.40		
12/20		Online Transfer Ret #10amp2Fyln to Business Checking Nick Pay 12/15/2010		2,000.00	85,749.86
12/21		Harland Clarke Check/Acc. 122010 0005750075402 Ad Systems Communicat		25.71	
12/21		Withdrawal Made In A Branch/Store		2,149.00	
12/21		Paychex Payroll 38220000001545x Ad Systems Communicat		3,694.00	
12/21		Paychex Tps Taxes 122010 38207100001917x Ad Systems Communicat		612.00	59,266.34
12/22		Check		5,012.09	
12/22		Paychex Eib Invoice 101222 x38213100014886 Ad Systems Communicat		95.60	54,157.45
12/23		Check Crd Purchase 12/21 Sprint Store #471 Salem OR 425906xxxxx2210 3570400000358180 ?McC=4814 90		793.59	
12/23		Recut Debit Crd Pmt12/22 8x8, Inc. 888-898-8733 888-8988733 CA 425906xxxxx2210 357040004166858 ?McC=5968 01		704.82	
12/23	5004	Cashed Check		500.00	
12/23	5007	Check		600.00	
12/23	5003	Check		500.00	
12/23		Paychex Eib Invoice 101223 x38247700000104 Ad Systems Communicat		39.00	51,020.04
12/24		Deposit Made In A Branch/Store	204.00		
12/24		Deposit	4,162.98		
12/24	5007	Check		8,500.00	
12/24	5005	Cashed Check		1,000.00	
12/24	5006	Cashed Check		1,000.00	
12/24	5001	Check		320.00	45,027.02
12/27		Deposit	359.85		45,446.87
12/27	5008	Check		7,000.00	
12/28		Check Crd Purchase 12/27 Montgomery St Parking Portland OR 425906xxxxx2210 363040002673486 ?McC=7523 90		2.00	
12/29	5004	Check		500.00	37,944.87
12/30	5025	Cashed Check		3,500.00	
12/30	5026	Check		3,000.00	
12/30	5026	Check		500.00	30,944.87
12/31		Check Crd Purchase 12/31 City of Portland Dept Portland OR 425906xxxxx2210 365040003617975 ?McC=7523 90		2.49	
12/31	5031	Cashed Check		3,694.00	
12/31		Paychex Tps Taxes 123010 38351600005428x Ad Systems Communicat		2,101.30	

Account number: 7156 ■ December 7, 2010 - December 31, 2010 ■ Page 3 of 4

**Transaction history (continued)**

Date	Check		Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
	Number	Description			
12/31	5035	Check		\$1,000.00	
12/31	5036	Check		1,000.00	23,147.08
Ending balance on 12/31					23,147.08
<b>Totals</b>			<b>\$91,604.01</b>	<b>\$58,456.93</b>	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

**Summary of checks written (checks listed are also displayed in the preceding Transaction history)**

Number	Date	Amount	Number	Date	Amount	Number	Date	Amount
	12/22	5,012.08	5006	12/24	1,000.00	5026 *	12/30	3,000.00
5001	12/24	320.00	5007	12/24	8,000.00	5028	12/30	3,500.00
5002	12/23	800.00	5008	12/25	7,000.00	5030	12/31	1,000.00
5003	12/23	500.00	5009	12/29	500.00	5031	12/31	3,694.00
5004	12/23	500.00	5026 *	12/30	500.00	5036 *	12/31	1,000.00
5005	12/24	1,000.00						

\* Gap in check sequence.

**Account transaction fees summary**

Service charge description	Units used	Units included	Excess units	Service charge per excess units (\$)	Total service charge
Paid and Deposited Items	44	150	0	0.00	\$0.00
<b>Total service charges</b>					<b>\$0.00</b>

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**Business Market Rate Savings**

Account number: 8816 ■ December 7, 2010 - December 31, 2010 ■ Page 1 of 2



AD SYSTEMS COMMUNICATIONS INC  
DEBTOR IN POSSESSION  
CH 11 CASE 10-32725 UT  
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**Activity summary**

Beginning balance on 12/7	\$0.00
Deposits/Credits	0.00
Withdrawals/Debits	- 0.00
<b>Ending balance on 12/31</b>	<b>\$0.00</b>

Account number: 8816

AD SYSTEMS COMMUNICATIONS INC  
DEBTOR IN POSSESSION  
CH 11 CASE 10-32725 UT

Utah account terms and conditions apply

For Direct Deposit and Automatic Payments use

Routing Number (RTN): 124002871

For Wire Transfers use

Routing Number (RTN): 121000248

**Interest summary**

Interest paid this statement	\$0.00
Average collected balance	\$0.00
Annual percentage yield earned	0.00%
Interest earned this statement period	\$0.00
Interest paid this year	\$0.00

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